

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 10, 2022

KELLY SERVICES, INC.

-----  
(Exact name of Registrant as specified in its charter)

Delaware  
(State or other  
jurisdiction of  
incorporation)

0-1088  
(Commission  
File Number)

38-1510762  
(IRS Employer  
Identification  
Number)

999 West Big Beaver Road, Troy, Michigan 48084

-----  
(Address of principal executive offices)  
(Zip Code)

(248) 362-4444

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(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Class A Common	KELYA	NASDAQ Global Market
Class B Common	KELYB	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition**

Kelly Services, Inc. (the "Company") today released financial information containing highlighted financial data for the three and nine months ended October 2, 2022. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 7.01. Regulation FD Disclosure**

On November 10, 2022, the Company issued a press release announcing that its Board of Directors approved a share repurchase program, the details of which are set forth in Item 8.01 below. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

The forgoing information is being furnished pursuant to Item 7.01 of Form 8-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of such section.

**Item 8.01. Other Events**

On November 9, 2022, the Board of Directors approved a share repurchase program authorizing the Company to purchase up to an aggregate of \$50 million of the Company's Class A common stock. Subject to applicable rules and regulations, the shares may be purchased from time to time in the open market, in privately negotiated transactions or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. Such purchases will be at times and in amounts as the Company deems appropriate, based on factors such as market conditions, prevailing stock prices, legal requirements and other business considerations. The authorization expires on November 24, 2023, may be suspended or discontinued at any time and does not obligate the Company to acquire any amount of Class A common stock.

Share repurchases will be funded from available cash and equivalents, working capital or cash flows from operations. As reported in the Company's Quarterly Report on Form 10-Q for the quarterly period ended October 2, 2022<sup>(1)</sup>, the Company has cash and equivalents of \$122 million, \$200 million of available capacity on its \$200 million revolving credit facility and \$97 million of available capacity on its \$150 million securitization facility. The securitization facility carried no short-term borrowings and \$53 million of standby letters of credit related to workers' compensation. The share repurchase program complements our existing capital allocation strategy while enabling continued investments for long-term growth.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	Press Release dated November 10, 2022.
<a href="#">99.2</a>	Presentation materials for November 10, 2022 conference call.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

<sup>(1)</sup> Expected to be filed on November 10, 2022

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

November 10, 2022

KELLY SERVICES, INC.

/s/ Olivier G. Thiro  
Olivier G. Thiro

Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

November 10, 2022

/s/ Laura S. Lockhart  
Laura S. Lockhart

Vice President, Corporate Controller and  
Chief Accounting Officer  
(Principal Accounting Officer)

EXHIBIT INDEX

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## KELLY REPORTS THIRD-QUARTER 2022 EARNINGS

- Q3 revenue down 2.3%; up 0.3% in constant currency
- Q3 operating loss of \$21.4 million and loss per share of \$0.43 down from a year ago on a non-cash goodwill impairment charge
- Adjusted operating earnings of \$9.5 million; up 7% from a year ago or up 21% in constant currency
- Kelly's Board of Directors approves a \$50 million share repurchase plan

TROY, Mich. (November 10, 2022) – Kelly (Nasdaq: [KELYA](#), [KELYB](#)), a leading specialty talent solutions provider, today announced results for the third quarter of 2022.

Peter Quigley, president and chief executive officer, announced revenue for the third quarter of 2022 totaled \$1.2 billion, a 2.3% decrease, or 0.3% increase in constant currency, compared to the corresponding quarter of 2021. Year-over-year revenue trends were impacted by foreign currency headwinds and the impact of the sale of our Russian operations in July 2022. Year-over-year results in the quarter also reflect the impact of the recent acquisitions of RocketPower, a recruitment process outsourcing firm, and Pediatric Therapeutic Services, a specialty firm providing in-school therapy services.

Kelly reported a loss from operations in the third quarter of 2022 of \$21.4 million, compared to earnings of \$9.0 million reported in the third quarter of 2021. The loss in the third quarter of 2022 resulted from a \$30.7 million goodwill impairment charge related to RocketPower. The charge reflects the impact of increasing economic uncertainty including the sharp decline in hiring in the high-tech industry in which RocketPower specializes, as well as slowing growth in the near-term demand for recruitment process outsourcing more broadly. Excluding the impairment charge, adjusted earnings from operations were \$9.5 million compared to \$8.9 million in the third quarter of 2021. Earnings improved primarily as a result of structural improvements in the business mix which resulted in higher gross profit.

Loss per share in the third quarter of 2022 was \$0.43 compared to earnings per share of \$0.87 in the third quarter of 2021. Included in the loss per share in the third quarter of 2022 is a \$0.67 per share goodwill impairment charge, net of tax, related to RocketPower, and a \$0.01 loss per share, net of tax, related to the completion of the sale of our Russian operations. Included in the third quarter of 2021 earnings per share is a \$0.62 gain, net of tax, related to non-cash gains, net of tax, on Persol Holding common shares. On an adjusted basis, earnings per share were \$0.25 in the third quarter of 2022, consistent with \$0.25 in the corresponding quarter of 2021.

"Kelly's third-quarter performance demonstrates that our more profitable solutions are in demand and our specialty growth strategy is delivering a higher-margin, higher-value business mix even in the face of heightened uncertainty, rising interest rates, and inflationary pressures," said Quigley. "We saw solid revenue growth in our SET and Education specialties, and all five operating segments delivered GP rate growth in the quarter. While challenges precipitated the RocketPower goodwill impairment, we remain confident that with diversification and integration this acquisition will bring strategic long-term value to our business. Finally, our planned buyback of Kelly Class A common shares highlights our flexible and balanced capital allocation strategy to maximize the return on capital and complements our organic and inorganic specialty growth strategy."

Kelly also reported that on November 9, its board of directors declared a dividend of \$0.075 per share. The dividend is payable on December 7, 2022 to stockholders of record as of the close of business on November 23, 2022.

In conjunction with its third-quarter earnings release, Kelly has published a financial presentation on the Investor Relations page of its public website and will host a conference call at 9 a.m. ET on November 10 to review the results and answer questions. The call may be accessed in one of the following ways:

Via the Internet:  
Kellyservices.com

Via the Telephone  
(877) 692-8955 (toll free) or (234) 720-6979 (caller paid)  
**Enter access code 5728672**

**After the prompt, please enter “#”**

A recording of the conference call will be available after 2:30 p.m. ET on November 10, 2022, at (866) 207-1041 (toll-free) and (402) 970-0847 (caller-paid). The access code is 8237932#. The recording will also be available at kellyservices.com during this period.

This release contains statements that are forward looking in nature and, accordingly, are subject to risks and uncertainties. These factors include, but are not limited to, changing market and economic conditions, the impact of the novel coronavirus (COVID-19) outbreak, competitive market pressures including pricing and technology introductions and disruptions, disruption in the labor market and weakened demand for human capital resulting from technological advances, competition law risks, the impact of changes in laws and regulations (including federal, state and international tax laws), unexpected changes in claim trends on workers' compensation, unemployment, disability and medical benefit plans, or the risk of additional tax liabilities in excess of our estimates, our ability to achieve our business strategy, our ability to successfully develop new service offerings, material changes in demand from or loss of large corporate customers as well as changes in their buying practices, risks particular to doing business with government or government contractors, the risk of damage to our brand, our exposure to risks associated with services outside traditional staffing, including business process outsourcing, services of licensed professionals and services connecting talent to independent work, our increasing dependency on third parties for the execution of critical functions, our ability to effectively implement and manage our information technology strategy, the risks associated with past and future acquisitions, including risk of related impairment of goodwill and intangible assets, risks associated with conducting business in foreign countries, including foreign currency fluctuations, risks associated with violations of anti-corruption, trade protection and other laws and regulations, availability of qualified full-time employees, availability of temporary workers with appropriate skills required by customers, liabilities for employment-related claims and losses, including class action lawsuits and collective actions, our ability to sustain critical business applications through our key data centers, risks arising from failure to preserve the privacy of information entrusted to us or to meet our obligations under global privacy laws, the risk of cyberattacks or other breaches of network or information technology security, our ability to realize value from our tax credit and net operating loss carryforwards, our ability to maintain specified financial covenants in our bank facilities to continue to access credit markets, and other risks, uncertainties and factors discussed in this release and in the Company's filings with the Securities and Exchange Commission. Actual results may differ materially from any forward-looking statements contained herein, and we undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

#### **About Kelly®**

Kelly Services, Inc. (Nasdaq: KELYA, KELYB) connects talented people to companies in need of their skills in areas including Science, Engineering, Education, Office, Contact Center, Light Industrial, and more. We're always thinking about what's next in the evolving world of work, and we help people ditch the script on old ways of thinking and embrace the value of all workstyles in the workplace. We directly employ more than 350,000 people around the world, and we connect thousands more with work through our global network of talent suppliers and partners in our outsourcing and consulting practice. Revenue in 2021 was \$4.9 billion. Visit kellyservices.com and let us help with what's next for you.

KLYA-FIN

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**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE 13 WEEKS ENDED OCTOBER 2, 2022 AND OCTOBER 3, 2021**  
**(UNAUDITED)**

(In millions of dollars except per share data)

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>	<u>CC % Change</u>
<b>Revenue from services</b>	\$ 1,167.9	\$ 1,195.4	\$ (27.5)	(2.3) %	0.3 %
Cost of services	927.3	966.5	(39.2)	(4.0)	
<b>Gross profit</b>	240.6	228.9	11.7	5.1	7.6
Selling, general and administrative expenses	231.1	219.9	11.2	5.1	7.1
Goodwill impairment charge	30.7	—	30.7	NM	
Loss on disposal	0.2	—	0.2	NM	
<b>Earnings (loss) from operations</b>	(21.4)	9.0	(30.4)	NM	
Gain on investment in Persol Holdings	—	35.5	(35.5)	NM	
Other income (expense), net	0.2	(0.3)	0.5	156.6	
<b>Earnings (loss) before taxes and equity in net earnings (loss) of affiliate</b>	(21.2)	44.2	(65.4)	NM	
Income tax expense (benefit)	(5.0)	11.1	(16.1)	(144.6)	
<b>Net earnings (loss) before equity in net earnings (loss) of affiliate</b>	(16.2)	33.1	(49.3)	NM	
Equity in net earnings (loss) of affiliate	—	1.7	(1.7)	NM	
<b>Net earnings (loss)</b>	\$ (16.2)	\$ 34.8	\$ (51.0)	NM	
<b>Basic earnings (loss) per share</b>	\$ (0.43)	\$ 0.87	\$ (1.30)	NM	
<b>Diluted earnings (loss) per share</b>	\$ (0.43)	\$ 0.87	\$ (1.30)	NM	

**STATISTICS:**

Permanent placement revenue (included in revenue from services)	\$ 19.8	\$ 19.7	\$ 0.1	0.7 %	4.4 %
Gross profit rate	20.6 %	19.2 %	1.4 pts.		
Conversion rate	(8.9) %	3.9 %	(12.8) pts.		
Adjusted EBITDA	\$ 19.1	\$ 17.3	\$ 1.8		
Adjusted EBITDA margin	1.6 %	1.4 %	0.2 pts.		
Effective income tax rate	23.4 %	25.2 %	(1.8) pts.		
Average number of shares outstanding (millions):					
Basic	37.9	39.4			
Diluted	37.9	39.5			

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE 39 WEEKS ENDED OCTOBER 2, 2022 AND OCTOBER 3, 2021**  
**(UNAUDITED)**

(In millions of dollars except per share data)

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>	<u>CC % Change</u>
<b>Revenue from services</b>	\$ 3,731.6	\$ 3,659.4	\$ 72.2	2.0 %	4.0 %
Cost of services	<u>2,970.0</u>	<u>2,986.2</u>	<u>(16.2)</u>	(0.5)	
<b>Gross profit</b>	761.6	673.2	88.4	13.1	15.1
Selling, general and administrative expenses	707.3	639.9	67.4	10.5	12.2
Goodwill impairment charge	30.7	—	30.7	NM	
Loss on disposal	18.7	—	18.7	NM	
Gain on sale of assets	<u>(5.3)</u>	<u>—</u>	<u>(5.3)</u>	NM	
<b>Earnings from operations</b>	10.2	33.3	(23.1)	(69.4)	
Gain (loss) on investment in Persol Holdings	(67.2)	71.8	(139.0)	NM	
Loss on currency translation from liquidation of subsidiary <sup>(1)</sup>	(20.4)	—	(20.4)	NM	
Other income (expense), net	<u>1.9</u>	<u>(4.0)</u>	<u>5.9</u>	148.0	
<b>Earnings (loss) before taxes and equity in net earnings (loss) of affiliate</b>	(75.5)	101.1	(176.6)	NM	
Income tax expense (benefit)	<u>(13.1)</u>	<u>19.0</u>	<u>(32.1)</u>	(169.1)	
<b>Net earnings (loss) before equity in net earnings (loss) of affiliate</b>	(62.4)	82.1	(144.5)	NM	
Equity in net earnings (loss) of affiliate	<u>0.8</u>	<u>2.3</u>	<u>(1.5)</u>	(66.8)	
<b>Net earnings (loss)</b>	<u>\$ (61.6)</u>	<u>\$ 84.4</u>	<u>\$ (146.0)</u>	NM	
<b>Basic earnings (loss) per share</b>	\$ (1.62)	\$ 2.12	\$ (3.74)	NM	
<b>Diluted earnings (loss) per share</b>	\$ (1.62)	\$ 2.12	\$ (3.74)	NM	

**STATISTICS:**

Permanent placement revenue (included in revenue from services)	\$ 71.2	\$ 54.3	\$ 16.9	31.2 %	34.4 %
Gross profit rate	20.4 %	18.4 %	2.0 pts.		
Conversion rate	1.3 %	4.9 %	(3.6) pts.		
Adjusted EBITDA	\$ 81.5	\$ 56.4	\$ 25.1		
Adjusted EBITDA margin	2.2 %	1.5 %	0.7 pts.		
Effective income tax rate	17.4 %	18.8 %	(1.4) pts.		
Average number of shares outstanding (millions):					
Basic	38.2	39.4			
Diluted	38.2	39.5			

(1) Subsequent to the sale of the Persol Holdings investment, the Company commenced the dissolution process of the Kelly Services Japan subsidiary, which was considered substantially liquidated as of the first quarter-end 2022, resulting in the recognition of the \$20.4 million loss on currency translation from liquidation of this subsidiary in the first quarter of 2022.



**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RESULTS OF OPERATIONS BY SEGMENT**  
**(UNAUDITED)**  
(In millions of dollars)

	Third Quarter			
	2022	2021	% Change	CC % Change
<b>Professional &amp; Industrial</b>				
Revenue from services	\$ 408.6	\$ 452.6	(9.7) %	(9.4) %
Gross profit	70.3	76.6	(8.3)	(8.0)
Total SG&A expenses	65.3	69.4	(6.0)	(5.8)
Earnings (loss) from operations	5.0	7.2	(30.7)	
Gross profit rate	17.2 %	16.9 %	0.3 pts.	
<b>Science, Engineering &amp; Technology</b>				
Revenue from services	\$ 321.3	\$ 306.2	5.0 %	5.2 %
Gross profit	76.3	68.1	11.9	12.3
Total SG&A expenses	53.4	48.4	10.2	10.4
Earnings (loss) from operations	22.9	19.7	16.2	
Gross profit rate	23.7 %	22.3 %	1.4 pts.	
<b>Education</b>				
Revenue from services	\$ 104.3	\$ 66.6	56.6 %	56.6 %
Gross profit	16.6	10.0	65.4	65.4
Total SG&A expenses	21.4	17.0	25.6	25.6
Earnings (loss) from operations	(4.8)	(7.0)	31.8	
Gross profit rate	15.9 %	15.1 %	0.8 pts.	
<b>Outsourcing &amp; Consulting</b>				
Revenue from services	\$ 118.5	\$ 113.4	4.5 %	5.9 %
Gross profit	44.1	37.3	18.6	21.2
Total SG&A expenses	37.7	30.7	23.4	25.6
Goodwill impairment charge	30.7	—	NM	
Earnings (loss) from operations	(24.3)	6.6	NM	
Gross profit rate	37.2 %	32.8 %	4.4 pts.	
<b>International</b>				
Revenue from services	\$ 215.5	\$ 256.8	(16.1) %	(5.4) %
Gross profit	33.3	36.9	(9.6)	2.0
Total SG&A expenses	31.4	34.5	(9.1)	1.5
Earnings (loss) from operations	1.9	2.4	(16.9)	
Gross profit rate	15.5 %	14.4 %	1.1 pts.	

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RESULTS OF OPERATIONS BY SEGMENT**  
**(UNAUDITED)**  
(In millions of dollars)

	September Year to Date			
	2022	2021	% Change	CC % Change
<b>Professional &amp; Industrial</b>				
Revenue from services	\$ 1,268.7	\$ 1,386.7	(8.5) %	(8.3) %
Gross profit	231.2	227.7	1.5	1.7
Total SG&A expenses	204.1	207.8	(1.8)	(1.7)
Earnings (loss) from operations	27.1	19.9	36.1	
Gross profit rate	18.2 %	16.4 %	1.8 pts.	
<b>Science, Engineering &amp; Technology</b>				
Revenue from services	\$ 962.7	\$ 859.1	12.1 %	12.3 %
Gross profit	225.3	187.8	19.9	20.2
Total SG&A expenses	161.4	131.0	23.2	23.3
Earnings (loss) from operations	63.9	56.8	12.5	
Gross profit rate	23.4 %	21.9 %	1.5 pts.	
<b>Education</b>				
Revenue from services	\$ 433.2	\$ 284.1	52.5 %	52.5 %
Gross profit	69.2	44.0	57.3	57.3
Total SG&A expenses	60.4	46.5	29.9	29.9
Earnings (loss) from operations	8.8	(2.5)	NM	
Gross profit rate	16.0 %	15.5 %	0.5 pts.	
<b>Outsourcing &amp; Consulting</b>				
Revenue from services	\$ 352.0	\$ 320.0	10.0 %	11.2 %
Gross profit	127.6	103.4	23.5	25.7
Total SG&A expenses	111.8	89.2	25.6	27.3
Goodwill impairment charge	30.7	—	NM	
Earnings (loss) from operations	(14.9)	14.2	NM	
Gross profit rate	36.3 %	32.3 %	4.0 pts.	
<b>International</b>				
Revenue from services	\$ 715.9	\$ 810.1	(11.6) %	(3.5) %
Gross profit	108.3	110.3	(1.8)	7.4
Total SG&A expenses	99.2	102.2	(3.0)	5.4
Earnings (loss) from operations	9.1	8.1	13.4	
Gross profit rate	15.1 %	13.6 %	1.5 pts.	

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**  
(In millions of dollars)

	October 2, 2022	January 2, 2022	October 3, 2021
<b>Current Assets</b>			
Cash and equivalents	\$ 122.4	\$ 112.7	\$ 43.5
Trade accounts receivable, less allowances of \$12.1, \$12.6, and \$12.3, respectively	1,519.9	1,423.2	1,423.9
Prepaid expenses and other current assets	83.1	52.8	71.0
Assets held for sale	4.7	—	—
<b>Total current assets</b>	<b>1,730.1</b>	<b>1,588.7</b>	<b>1,538.4</b>
<b>Noncurrent Assets</b>			
Property and equipment, net	24.9	35.3	36.1
Operating lease right-of-use assets	67.3	75.8	79.3
Deferred taxes	300.7	302.8	304.0
Goodwill, net	161.4	114.8	114.8
Investment in Persol Holdings	—	264.3	222.6
Investment in equity affiliate	—	123.4	122.0
Other assets	397.5	389.1	386.3
<b>Total noncurrent assets</b>	<b>951.8</b>	<b>1,305.5</b>	<b>1,265.1</b>
<b>Total Assets</b>	<b>\$ 2,681.9</b>	<b>\$ 2,894.2</b>	<b>\$ 2,803.5</b>
<b>Current Liabilities</b>			
Short-term borrowings	\$ 0.1	\$ —	\$ —
Accounts payable and accrued liabilities	735.2	687.2	645.2
Operating lease liabilities	14.4	17.5	18.4
Accrued payroll and related taxes	321.4	318.4	334.9
Accrued workers' compensation and other claims	24.4	20.8	21.1
Income and other taxes	47.5	51.3	58.4
<b>Total current liabilities</b>	<b>1,143.0</b>	<b>1,095.2</b>	<b>1,078.0</b>
<b>Noncurrent Liabilities</b>			
Operating lease liabilities	55.6	61.4	64.1
Accrued payroll and related taxes	—	57.6	58.2
Accrued workers' compensation and other claims	43.4	37.0	39.1
Accrued retirement benefits	172.7	220.0	213.5
Other long-term liabilities	14.5	86.8	76.5
<b>Total noncurrent liabilities</b>	<b>286.2</b>	<b>462.8</b>	<b>451.4</b>
<b>Stockholders' Equity</b>			
Common stock	38.5	40.1	40.1
Treasury stock	(12.4)	(15.1)	(15.2)
Paid-in capital	26.6	23.9	23.2
Earnings invested in the business	1,220.1	1,315.0	1,245.3
Accumulated other comprehensive income (loss)	(20.1)	(27.7)	(19.3)
<b>Total stockholders' equity</b>	<b>1,252.7</b>	<b>1,336.2</b>	<b>1,274.1</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 2,681.9</b>	<b>\$ 2,894.2</b>	<b>\$ 2,803.5</b>
<b>STATISTICS:</b>			
Working Capital	\$ 587.1	\$ 493.5	\$ 460.4
Current Ratio	1.5	1.5	1.4
Debt-to-capital %	0.0 %	0.0 %	0.0 %
Global Days Sales Outstanding	64	60	63
Year-to-Date Free Cash Flow	\$ (117.3)	\$ 73.8	\$ 23.5

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE 39 WEEKS ENDED OCTOBER 2, 2022 AND OCTOBER 3, 2021**  
**(UNAUDITED)**  
(In millions of dollars)

	2022	2021
<b>Cash flows from operating activities:</b>		
Net earnings (loss)	\$ (61.6)	\$ 84.4
Adjustments to reconcile net earnings (loss) to net cash from operating activities:		
Goodwill impairment charge	30.7	—
Deferred income taxes on goodwill impairment charge	(5.3)	—
Loss on disposal	18.7	—
Depreciation and amortization	24.7	22.0
Operating lease asset amortization	14.2	16.0
Provision for credit losses and sales allowances	1.7	0.8
Stock-based compensation	5.9	4.0
(Gain) loss on investment in Persol Holdings	67.2	(71.8)
Loss on currency translation from liquidation of subsidiary	20.4	—
Gain on foreign currency remeasurement	(5.5)	—
Gain on sale of assets	(5.3)	—
Equity in net (earnings) loss of PersolKelly Pte. Ltd.	(0.8)	(2.3)
Other, net	3.5	4.6
Changes in operating assets and liabilities, net of acquisitions	(220.2)	(26.7)
<b>Net cash (used in) from operating activities</b>	<b>(111.7)</b>	<b>31.0</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(5.6)	(7.5)
Proceeds from sale of assets	4.5	—
Acquisition of companies, net of cash received	(143.1)	(213.0)
Cash disposed from sale of Russia, net of proceeds	(6.0)	—
Proceeds from company-owned life insurance	1.5	10.4
Proceeds from sale of Persol Holdings investment	196.9	—
Proceeds from sale of equity method investment	119.5	—
Proceeds related to loans with equity affiliate	—	5.8
Proceeds from equity securities	—	5.0
Other investing activities	—	0.9
<b>Net cash from (used in) investing activities</b>	<b>167.7</b>	<b>(198.4)</b>
<b>Cash flows from financing activities:</b>		
Net change in short-term borrowings	0.2	(0.2)
Financing lease payments	(1.2)	(1.3)
Dividend payments	(7.7)	(2.0)
Payments of tax withholding for stock awards	(0.9)	(0.6)
Buyback of common shares	(27.2)	—
Contingent consideration payments	(0.7)	(1.6)
Other financing activities	0.1	—
<b>Net cash used in financing activities</b>	<b>(37.4)</b>	<b>(5.7)</b>
<b>Effect of exchange rates on cash, cash equivalents and restricted cash</b>	<b>(7.4)</b>	<b>(3.9)</b>
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>11.2</b>	<b>(177.0)</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>119.5</b>	<b>228.1</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 130.7</b>	<b>\$ 51.1</b>

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**REVENUE FROM SERVICES BY GEOGRAPHY**  
**(UNAUDITED)**  
(In millions of dollars)

	Third Quarter			
	2022	2021	% Change	CC % Change
<b>Americas</b>				
United States	\$ 861.0	\$ 851.7	1.1 %	1.1 %
Canada	43.3	43.3	0.1	3.8
Puerto Rico	28.3	25.5	10.8	10.8
Mexico	10.9	14.4	(24.0)	(23.3)
<b>Total Americas Region</b>	943.5	934.9	0.9	1.1
<b>Europe</b>				
Switzerland	55.2	54.5	1.2	6.5
France	45.8	56.3	(18.7)	(4.8)
Portugal	41.9	36.6	14.2	33.8
Italy	16.4	18.5	(10.8)	4.5
United Kingdom	14.2	17.2	(17.1)	(3.1)
Russia	5.0	33.0	(85.0)	(87.9)
Other	35.6	33.7	6.0	25.3
<b>Total Europe Region</b>	214.1	249.8	(14.3)	(2.8)
<b>Total Asia-Pacific Region</b>	10.3	10.7	(3.8)	2.9
<b>Total Kelly Services, Inc.</b>	\$ 1,167.9	\$ 1,195.4	(2.3) %	0.3 %

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**REVENUE FROM SERVICES BY GEOGRAPHY**  
**(UNAUDITED)**  
(In millions of dollars)

	September Year to Date			
	2022	2021	% Change	CC % Change
<b>Americas</b>				
United States	\$ 2,746.5	\$ 2,604.8	5.4 %	5.4 %
Canada	122.7	116.9	5.0	7.8
Puerto Rico	84.8	76.6	10.7	10.7
Mexico	32.4	82.1	(60.5)	(60.3)
<b>Total Americas Region</b>	2,986.4	2,880.4	3.7	3.8
<b>Europe</b>				
Switzerland	165.5	161.2	2.6	7.2
France	150.8	168.1	(10.3)	0.8
Portugal	125.8	120.9	4.0	17.1
Russia	63.4	99.3	(36.2)	(35.5)
Italy	54.3	56.0	(3.0)	9.1
United Kingdom	45.2	51.9	(12.8)	(3.7)
Other	107.6	93.3	15.4	30.8
<b>Total Europe Region</b>	712.6	750.7	(5.1)	4.0
<b>Total Asia-Pacific Region</b>	32.6	28.3	15.2	22.0
<b>Total Kelly Services, Inc.</b>	\$ 3,731.6	\$ 3,659.4	2.0 %	4.0 %

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**THIRD QUARTER**  
**(UNAUDITED)**  
(In millions of dollars)

	2022		2021	
	As Reported		Adjusted	
<b>SG&amp;A Expenses:</b>				
Professional & Industrial	\$	65.3	\$	69.4
Science, Engineering & Technology		53.4		48.4
Education		21.4		17.0
Outsourcing & Consulting		37.7		30.7
International		31.4		34.5
Corporate		21.9		20.0
<b>Total Company</b>	<b>\$</b>	<b>231.1</b>	<b>\$</b>	<b>220.0</b>

	2022				2021	
	As Reported	Loss on disposal <sup>(4)</sup>	Goodwill impairment charge <sup>(5)</sup>	Adjusted	Adjusted	Adjusted
<b>Earnings (loss) from Operations:</b>						
Professional & Industrial	\$ 5.0	\$ —	\$ —	\$ 5.0	\$ 5.0	\$ 7.2
Science, Engineering & Technology	22.9	—	—	22.9	22.9	19.7
Education	(4.8)	—	—	(4.8)	(4.8)	(7.0)
Outsourcing & Consulting	(24.3)	—	30.7	6.4	6.4	6.6
International	1.9	—	—	1.9	1.9	2.4
Corporate	(21.9)	—	—	(21.9)	(21.9)	(20.0)
Loss on disposal	(0.2)	0.2	—	—	—	—
<b>Total Company</b>	<b>\$ (21.4)</b>	<b>\$ 0.2</b>	<b>\$ 30.7</b>	<b>\$ 9.5</b>	<b>\$ 9.5</b>	<b>\$ 8.9</b>





**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**SEPTEMBER YEAR TO DATE**  
**(UNAUDITED)**  
(In millions of dollars)

	2022		2021	
	As Reported		Adjusted	
<b>SG&amp;A Expenses:</b>				
Professional & Industrial	\$	204.1	\$	207.8
Science, Engineering & Technology		161.4		131.0
Education		60.4		46.5
Outsourcing & Consulting		111.8		89.2
International		99.2		102.2
Corporate		70.4		63.3
Intersegment		—		—
Total Company	\$	<u>707.3</u>	\$	<u>640.0</u>

	2022					2021	
	As Reported	Gain on sale of assets <sup>(3)</sup>	Loss on disposal <sup>(4)</sup>	Goodwill impairment charge <sup>(5)</sup>	Adjusted	Adjusted	Adjusted
<b>Earnings (loss) from Operations:</b>							
Professional & Industrial	\$ 27.1	\$ —	\$ —	\$ —	\$ 27.1	\$ 27.1	\$ 19.9
Science, Engineering & Technology	63.9	—	—	—	63.9	63.9	56.8
Education	8.8	—	—	—	8.8	8.8	(2.5)
Outsourcing & Consulting	(14.9)	—	—	30.7	15.8	15.8	14.2
International	9.1	—	—	—	9.1	9.1	8.1
Corporate	(70.4)	—	—	—	(70.4)	(70.4)	(63.3)
Loss on disposal	(18.7)	—	18.7	—	—	—	—
Gain on sale of assets	5.3	(5.3)	—	—	—	—	—
Total Company	\$ 10.2	\$ (5.3)	\$ 18.7	\$ 30.7	\$ 54.3	\$ 54.3	\$ 33.2

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**SEPTEMBER YEAR TO DATE**  
**(UNAUDITED)**  
(In millions of dollars)

	2021		
	As Reported	Restructuring <sup>(6)</sup>	Adjusted
<b>SG&amp;A Expenses:</b>			
Professional & Industrial	\$ 207.8	\$ —	\$ 207.8
Science, Engineering & Technology	131.0	—	131.0
Education	46.5	—	46.5
Outsourcing & Consulting	89.2	—	89.2
International	102.2	—	102.2
Corporate	63.2	0.1	63.3
<b>Total Company</b>	<b>\$ 639.9</b>	<b>\$ 0.1</b>	<b>\$ 640.0</b>

	2021		
	As Reported	Restructuring <sup>(6)</sup>	Adjusted
<b>Earnings (loss) from Operations:</b>			
Professional & Industrial	\$ 19.9	\$ —	\$ 19.9
Science, Engineering & Technology	56.8	—	56.8
Education	(2.5)	—	(2.5)
Outsourcing & Consulting	14.2	—	14.2
International	8.1	—	8.1
Corporate	(63.2)	(0.1)	(63.3)
<b>Total Company</b>	<b>\$ 33.3</b>	<b>\$ (0.1)</b>	<b>\$ 33.2</b>

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**(UNAUDITED)**

(In millions of dollars except per share data)

	Third Quarter		September Year to Date	
	2022	2021	2022	2021
Income tax expense (benefit)	\$ (5.0)	\$ 11.1	\$ (13.1)	\$ 19.0
Taxes on investment in Persol Holdings <sup>(1)</sup>	—	(10.9)	18.4	(22.0)
Taxes on foreign currency matters <sup>(2)</sup>	—	—	(1.5)	—
Taxes on gain on sale of assets <sup>(3)</sup>	—	—	(1.3)	—
Taxes on loss on disposal <sup>(4)</sup>	—	—	—	—
Taxes on goodwill impairment charge <sup>(5)</sup>	5.3	—	5.3	—
Taxes on restructuring charges <sup>(6)</sup>	—	—	—	—
Adjusted income tax expense (benefit)	<u>\$ 0.3</u>	<u>\$ 0.2</u>	<u>\$ 7.8</u>	<u>\$ (3.0)</u>

	Third Quarter		September Year to Date	
	2022	2021	2022	2021
Net earnings (loss)	\$ (16.2)	\$ 34.8	\$ (61.6)	\$ 84.4
(Gain) loss on investment in Persol Holdings, net of taxes <sup>(1)</sup>	—	(24.6)	48.8	(49.8)
Loss on foreign currency matters, net of taxes <sup>(2)</sup>	—	—	16.4	—
Gain on sale of assets, net of taxes <sup>(3)</sup>	—	—	(4.0)	—
Loss on disposal, net of taxes <sup>(4)</sup>	0.2	—	18.7	—
Goodwill impairment charge, net of taxes <sup>(5)</sup>	25.4	—	25.4	—
Restructuring charges, net of taxes <sup>(6)</sup>	—	(0.1)	—	(0.1)
Adjusted net earnings	<u>\$ 9.4</u>	<u>\$ 10.1</u>	<u>\$ 43.7</u>	<u>\$ 34.5</u>

	Third Quarter		September Year to Date	
	2022	2021	2022	2021
	Per Share		Per Share	
Net earnings (loss)	\$ (0.43)	\$ 0.87	\$ (1.62)	\$ 2.12
(Gain) loss on investment in Persol Holdings, net of taxes <sup>(1)</sup>	—	(0.62)	1.28	(1.25)
Loss on foreign currency matters, net of taxes <sup>(2)</sup>	—	—	0.43	—
Gain on sale of assets, net of taxes <sup>(3)</sup>	—	—	(0.10)	—
Loss on disposal, net of taxes <sup>(4)</sup>	0.01	—	0.49	—
Goodwill impairment charge, net of taxes <sup>(5)</sup>	0.67	—	0.67	—
Restructuring charges, net of taxes <sup>(6)</sup>	—	—	—	—
Adjusted net earnings	<u>\$ 0.25</u>	<u>\$ 0.25</u>	<u>\$ 1.15</u>	<u>\$ 0.86</u>

Note: Earnings per share amounts for each quarter are required to be computed independently and may not equal the amounts computed for the total year.

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(UNAUDITED)  
(In millions of dollars)

	Third Quarter		September Year to Date	
	2022	2021	2022	2021
Net earnings (loss)	\$ (16.2)	\$ 34.8	\$ (61.6)	\$ 84.4
Other (income) expense, net <sup>(2)</sup>	(0.2)	0.3	(1.9)	4.0
Income tax expense (benefit)	(5.0)	11.1	(13.1)	19.0
Depreciation and amortization	9.6	8.4	27.2	23.2
EBITDA	(11.8)	54.6	(49.4)	130.6
Equity in net (earnings) loss of affiliate	—	(1.7)	(0.8)	(2.3)
(Gain) loss on investment in Persol Holdings <sup>(1)</sup>	—	(35.5)	67.2	(71.8)
Loss on foreign currency matters <sup>(2)</sup>	—	—	20.4	—
Gain on sale of assets <sup>(3)</sup>	—	—	(5.3)	—
Loss on disposal <sup>(4)</sup>	0.2	—	18.7	—
Goodwill impairment charge <sup>(5)</sup>	30.7	—	30.7	—
Restructuring <sup>(6)</sup>	—	(0.1)	—	(0.1)
<b>Adjusted EBITDA</b>	<b>\$ 19.1</b>	<b>\$ 17.3</b>	<b>\$ 81.5</b>	<b>\$ 56.4</b>
<b>Adjusted EBITDA margin</b>	<b>1.6 %</b>	<b>1.4 %</b>	<b>2.2 %</b>	<b>1.5 %</b>

**KELLY SERVICES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**(UNAUDITED)**

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the 2022 sale of the Persol Holdings investment, the 2022 and 2021 gains and losses on the fair value changes of the investment in Persol Holdings, the 2022 losses on foreign currency matters, the 2022 gains on sale of assets, the 2022 loss on disposal, the 2022 goodwill impairment and the 2021 restructuring adjustments are useful to understand the Company's fiscal 2022 financial performance and increases comparability. Specifically, Management believes that removing the impact of these items allows for a meaningful comparison of current period operating performance with the operating results of prior periods. Management also believes that such measures are used by those analyzing performance of companies in the staffing industry to compare current performance to prior periods and to assess future performance.

Management uses Adjusted EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) and Adjusted EBITDA Margin (percent of total GAAP revenue) which Management believes is useful to compare operating performance compared to prior periods and uses it in conjunction with GAAP measures to assess performance. Our calculation of Adjusted EBITDA may not be consistent with similarly titled measures of other companies and should be used in conjunction with GAAP measurements. Management also uses year-to-date free cash flow (operating cash flows less capital expenditures) to indicate the change in cash balances arising from operating activities, net of working capital needs and expenditures on fixed assets.

These non-GAAP measures may have limitations as analytical tools because they exclude items which can have a material impact on cash flow and earnings per share. As a result, Management considers these measures, along with reported results, when it reviews and evaluates the Company's financial performance. Management believes that these measures provide greater transparency to investors and provide insight into how Management is evaluating the Company's financial performance. Non-GAAP measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

- (1) In 2022, the loss on the investment in Persol Holdings represents the change in fair value up until the date of the sale of the investment on February 15, 2022 as well as the loss on the sale of the investment during the period presented and the related tax benefit. In 2021, the gain on the investment in Persol Holdings represents the change in fair value of the investment during the period presented and the related tax expense.
- (2) In 2022, the loss on foreign currency matters includes a \$20.4 million loss on currency translation resulting from the substantially complete liquidation of the Company's Japan entity, partially offset by a \$5.5 million foreign exchange gain on the Japan entity's USD-denominated cash balance. The foreign exchange gain is included in other (income) expense, net in the EBITDA calculation.
- (3) Gain on sale of assets in 2022 is related to the sale of under-utilized real property in the second quarter of 2022 and other real property sold in the first quarter of 2022.
- (4) Loss on disposal in 2022 represents the write-off of the net assets of our Russian operations that were sold in the third quarter of 2022.
- (5) Goodwill impairment charge in 2022 is the result of an interim impairment test the Company performed related to RocketPower due to a triggering event caused by changes in market conditions.
- (6) Restructuring in 2021 represents adjustments to restructuring charges from 2020 relating to the severance costs and lease terminations for the new operating model adopted in the third quarter of 2020.

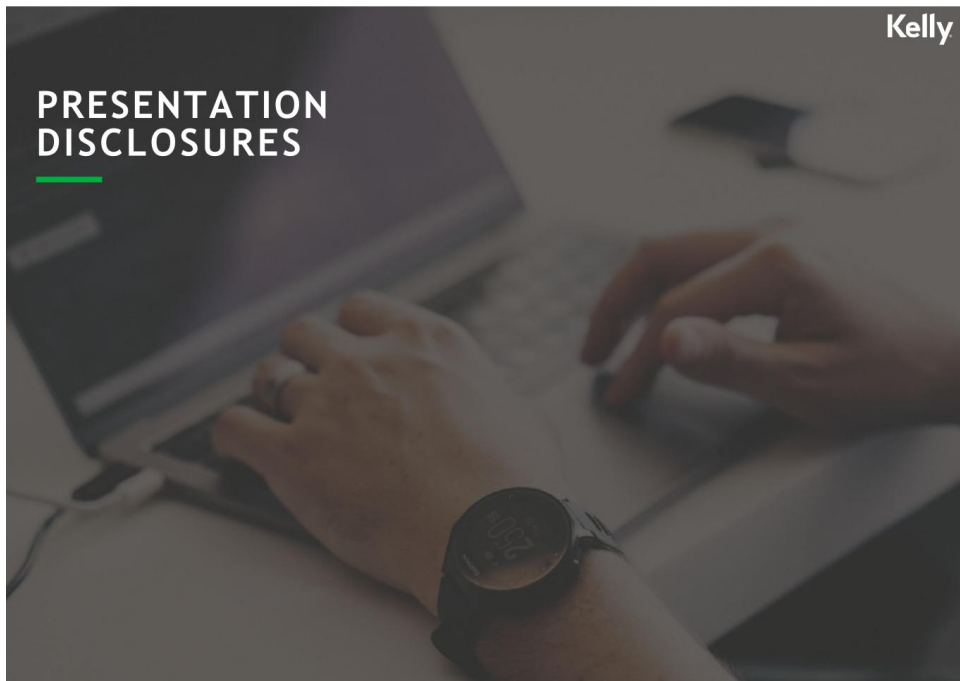
# Q3 2022

November 10, 2022



# PRESENTATION DISCLOSURES

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## NON-GAAP MEASURES

Management believes that the non-GAAP (Generally Accepted Accounting Principles) information excluding the 2021 gain on the fair value changes of the investment in Persol Holdings, the 2022 loss on disposal, the 2022 goodwill impairment and the 2021 restructuring adjustments, are useful to understand the Company's fiscal 2022 financial performance and increases comparability. Specifically, Management believes that removing the impact of these items allows for a meaningful comparison of current period operating performance with the operating results of prior periods. Management also believes that such measures are used by those analyzing performance of companies in the staffing industry to compare current performance to prior periods and to assess future performance.

Management uses Adjusted EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) and Adjusted EBITDA Margin (percent of total GAAP revenue) which Management believes is useful to compare operating performance compared to prior periods and uses it in conjunction with GAAP measures to assess performance. Our calculation of Adjusted EBITDA may not be consistent with similarly titled measures of other companies and should be used in conjunction with GAAP measurements.

These non-GAAP measures may have limitations as analytical tools because they exclude items which can have a material impact on cash flow and earnings per share. As a result, Management considers these measures, along with reported results, when it reviews and evaluates the Company's financial performance. Management believes that these measures provide greater transparency to investors and provide insight into how Management is evaluating the Company's financial performance. Non-GAAP measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.





## SAFE HARBOR STATEMENT

This release contains statements that are forward looking in nature and, accordingly, are subject to risks and uncertainties. The principal important risk factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include, but are not limited to, changing market and economic conditions, the impact of the novel coronavirus (COVID-19) outbreak, competitive market pressures including pricing and technology introductions and disruptions, disruption in the labor market and weakened demand for human capital resulting from technological advances, competition law risks, the impact of changes in laws and regulations (including federal, state and international tax laws), unexpected changes in claim trends on workers' compensation, unemployment, disability and medical benefit plans, or the risk of additional tax liabilities in excess of our estimates, our ability to achieve our business strategy, our ability to successfully develop new service offerings, material changes

in demand from or loss of large corporate customers as well as changes in their buying practices, risks particular to doing business with government or government contractors, the risk of damage to our brand, our exposure to risks associated with services outside traditional staffing, including business process outsourcing, services of licensed professionals and services connecting talent to independent work, our increasing dependency on third parties for the execution of critical functions, our ability to effectively implement and manage our information technology strategy, the risks associated with past and future acquisitions, including risk of related impairment of goodwill and intangible assets, risks associated with conducting business in foreign countries, including foreign currency fluctuations, risks associated with violations of anticorruption, trade protection and other laws and regulations, availability of qualified full-time employees, availability of temporary workers with appropriate skills required by customers,

liabilities for employment-related claims and losses, including class action lawsuits and collective actions, our ability to sustain critical business applications through our key data centers, risks arising from failure to preserve the privacy of information entrusted to us or to meet our obligations under global privacy laws, the risk of cyberattacks or other breaches of network or information technology security, our ability to realize value from our tax credit and net operating loss carryforwards, our ability to maintain specified financial covenants in our bank facilities to continue to access credit markets, and other risks, uncertainties and factors discussed in this report and in our other filings with the Securities and Exchange Commission. Actual results may differ materially from any forward-looking statements contained herein, and we undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

Kelly

## FINANCIALS

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## Third Quarter 2022 Takeaways.

### Demand for specialty talent continues amid growing economic uncertainty and continuing inflationary pressures

- Q3 revenue declined by 2.3% on a reported basis, up 0.3% in constant currency<sup>(1)</sup>
- Includes 130 bps favorable impact from the acquisition of RocketPower and Pediatric Therapeutic Services ("PTS")
- Includes 250 bps<sup>(1)</sup> unfavorable impact from the sale of our Russian operations
- Delivered 7.6%<sup>(1)</sup> year-over-year gross profit growth reflecting a GP rate of 20.6%
- Favorable product mix delivers structural improvements as growth in permanent placement fees flattens

### Near-term steps to capitalize on continued demand for specialty talent and build resiliency

- Addressing talent supply in high demand specialties to meet customer needs and accelerate revenue growth
- Every business unit is focusing on actionable strategies to deliver improving top-line results aligned to our specialty growth strategy and proactively aligning resources with growth opportunities

### Continued focus on our future

- Commencing a board-approved \$50 million share repurchase program highlighting our flexible and balanced capital allocation strategy, as well as confidence in our ability to deliver specialty growth
- Ongoing deployment of technology investments in both the Americas and EMEA

<sup>(1)</sup>Constant Currency ("CC") represents year-over-year changes resulting from translating 2022 financial data into USD using 2021 exchange rates.

## Third Quarter 2022 Financial Summary.

	Actual Results	Change Increase/(Decrease)	
		As Reported	As Adjusted <sup>(1)</sup>
Revenue	\$1.2B	(2.3%) 0.3% CC <sup>(2)</sup>	(2.3%) 0.3% CC <sup>(2)</sup>
Gross Profit Rate	20.6%	140 bps	140 bps
Loss from Operations	(\$21.4M)	NM NM CC <sup>(2)</sup>	7.5% 21.0% CC <sup>(2)</sup>
Adjusted EBITDA	\$19.1M		10.1%
Adjusted EBITDA Margin	1.6%		20 bps

<sup>(1)</sup>See reconciliation of Non-GAAP Measures included in Form 8-K dated November 10, 2022; <sup>(2)</sup>Constant Currency ("CC") represents year-over-year changes resulting from translating 2022 financial data into USD using 2021 exchange rates.

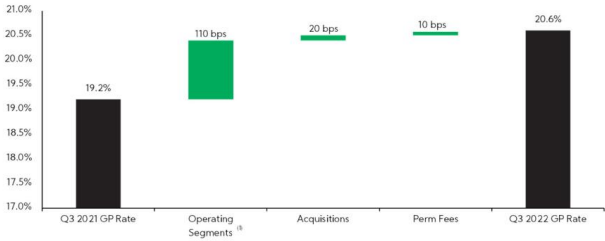
## Third Quarter 2022 Revenue Trends.

	Reported <sup>(1)</sup>	Constant Currency <sup>(1),(2)</sup>	Organic <sup>(2),(3)</sup>
<b>Total</b>	(2.3%)	0.3%	1.5%
<b>Professional &amp; Industrial</b>	(9.7%)	(9.4%)	(9.4%)
<b>Science, Engineering &amp; Technology</b>	5.0%	5.2%	5.2%
<b>Education</b>	56.6%	56.6%	44.5%
<b>Outsourcing &amp; Consulting</b>	4.5%	5.9%	(0.3%)
<b>International</b>	(16.1%)	(5.4%)	6.8%

<sup>(1)</sup>Reported and Constant Currency revenue includes the 2022 results of RocketPower and PTS, which were acquired as of March 7, 2022 and May 2, 2022, respectively. RocketPower was included in the reported results of operations in Outsourcing & Consulting and PTS was included in the reported results of operations in Education, from the date of acquisition; <sup>(2)</sup>Constant Currency represents year-over-year changes resulting from translating 2022 financial data into USD using 2021 exchange rates; <sup>(3)</sup>Organic revenue excludes the 2022 results of RocketPower and PTS, which were acquired as of March 7, 2022 and May 2, 2022, respectively, as well as the results of our Russian operations following the completion of the sale transaction in the third quarter of 2022.

### Third Quarter 2022 Gross Profit Rate Growth.

- Overall GP rate improved primarily as a result of favorable specialty mix in the Operating Segments
- Acquisitions of higher margin specialty business continues to contribute to our improving GP rate
- Permanent placement fees increased slightly as customers continued permanent hiring activity amid the uncertain economic environment



<sup>(1)</sup>Excludes 2022 results of RocketPower and PTS, which were acquired as of March 7, 2022 and May 2, 2022, respectively. RocketPower was included in the reported results of operations in Outsourcing & Consulting and PTS was included in the reported results of operations in Education, from the date of acquisition.

## Third Quarter 2022 SG&A.

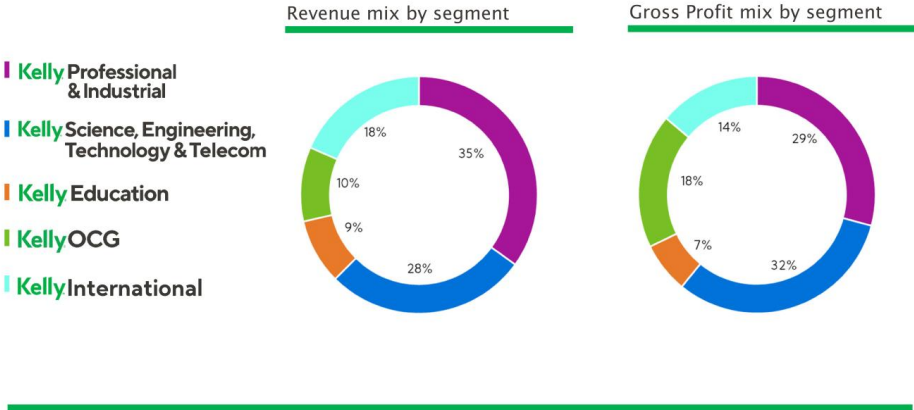
\$ in millions

- Expenses in the Operating Segments, excluding recent acquisitions of RocketPower and PTS, increased primarily due to higher compensation-related expenses for our full-time talent. We have added headcount in line with revenue growth in selected specialties and provided market-driven compensation adjustments to attract and retain talent
- Expenses from our recent acquisitions of RocketPower and PTS include amortization expense related to acquired intangible assets
- Corporate expenses increased due primarily to higher performance-based incentive compensation expenses
- Earnout Adjustment primarily represents the impact of a 2021 adjustment related to the acquisition of Greenwood/Asher & Associates



<sup>(1)</sup> Excludes 2022 results of RocketPower and PTS, which were acquired as of March 7, 2022 and May 2, 2022, respectively. RocketPower was included in the reported results of operations in Outsourcing & Consulting and PTS was included in the reported results of operations in Education, from the date of acquisition.

### Third Quarter 2022 Revenue & Gross Profit Mix.





## Third Quarter 2022 EPS Summary.

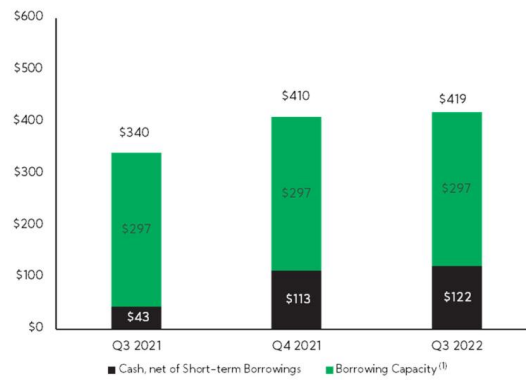
*\$ in millions except per share data*

	2022		2021	
	Amount	Per Share	Amount	Per Share
Net earnings (loss)	(\$16.2)	(\$0.43)	\$34.8	\$0.87
(Gain) loss on investment in Persol Holdings, net of taxes <sup>(1)</sup>	-	-	(24.6)	(0.62)
Goodwill impairment charge, net of taxes <sup>(2)</sup>	25.4	0.67	-	-
Loss on disposal, net of taxes <sup>(3)</sup>	0.2	0.01	-	-
Restructuring charges, net of taxes <sup>(4)</sup>	-	-	(0.1)	-
<b>Adjusted net earnings</b>	<b>\$9.4</b>	<b>\$0.25</b>	<b>\$10.1</b>	<b>\$0.25</b>

<sup>(1)</sup>Gain on investment in Persol Holdings of \$35.5 million, \$24.6 million net of tax, or \$0.62 per share in Q3 2021; <sup>(2)</sup>Goodwill impairment charge of \$30.7 million, \$25.4 million net of tax, or \$0.67 per share in Q3 2022; <sup>(3)</sup>Loss on disposal related to the sale of our Russian operations of \$0.2 million, \$0.2 million net of tax, or \$0.01 per share in Q3 2022; <sup>(4)</sup>Restructuring charges of \$0.1 million, \$0.1 million net of tax, or \$0.00 per share in Q3 2021.

## Third Quarter 2022 Liquidity.

\$ in millions



<sup>(1)</sup>U.S. credit facilities, net of standby letters of credit related to workers' compensation.

- During 2022, we concluded the Persol Holdings cross-shareholding arrangement and sold most of our interest in the PersolKelly joint venture, generating additional capital that we strategically reallocated with the Q1 2022 acquisition of RocketPower for \$58 million cash paid, net of cash received and the Q2 2022 acquisition of PTS for \$85 million cash paid, net of cash received
- As of the end of Q3 2022, we continue to have more than \$400 million available liquidity

## Q4 2022 Outlook.



### Revenue

- Flat to up 1.0% YOY on a reported basis, up 3.3% to 4.3% on organic constant currency basis
  - Unfavorable FX impact (-230 bps)
  - Impact of the sale of our Russian operations (-250 bps)
  - 2022 acquisitions accelerate revenue growth (+150 bps)

### GP Rate and GP

- 20.4% GP rate - up YOY approximately 70 bps
  - 2022 acquisitions add 20 bps
  - Expect continued shift to higher margin specialties and deceleration in permanent placement fees
  - GP up 4% YOY based on structural GP rate improvement

### Adjusted SG&A

- Up 2.5% to 3.0% on a nominal basis
  - Reflects increasing inflationary pressure including compensation expenses to attract and retain the workforce necessary to deliver future growth and impact of 2022 acquisitions and sale of Russian operations

### Adjusted EBITDA Margin

- Up 30 bps
  - Reflects expected structural GP rate and SG&A productivity improvements and 2022 acquisitions

### Adjusted Tax Rate

- Effective rate in the low 50% range
  - Impacted by non-deductible losses on life insurance policies used to fund certain retirement liabilities

## Recent Acquisitions.

### RocketPower

- RocketPower is a provider of Recruitment Process Outsourcing (RPO) and other outsourced talent solutions to customers including high growth U.S. tech companies. Headquartered in Silicon Valley, CA, RocketPower will continue to operate under its own brand with its current leadership team and staff as part of KellyOCG, the outsourcing and consulting business of Kelly
  - Expands KellyOCG's RPO delivery offering
  - Creates growth opportunities in the high-tech industry

### Pediatric Therapeutic Services

- PTS is a specialty firm that provides state and federally mandated in-school therapy services including occupational therapy, physical therapy, speech-language pathology, and mental and behavioral health services. Headquartered in suburban Philadelphia, PTS currently supports schools throughout Pennsylvania and Delaware and will continue to operate under its own brand as part of Kelly Education
  - Expands Kelly Education's industry-leading K-12 solutions offering
  - Creates growth opportunities in the \$20-billion therapeutic services segment



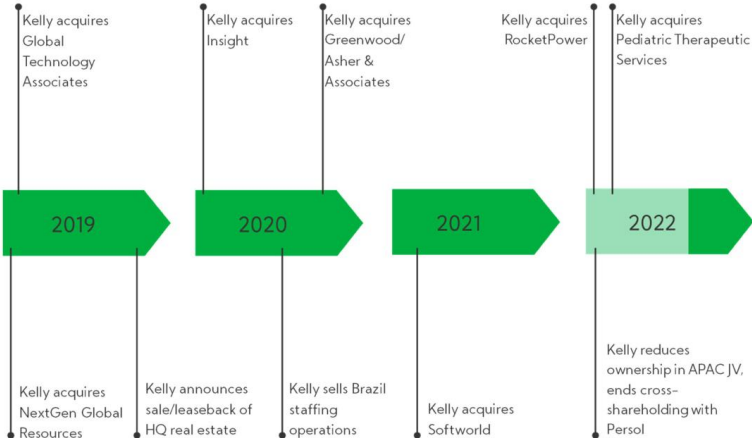
## Our operating model aligns to these specialties.

We have redesigned our operating model to drive profitable growth in our chosen specialties.

	Kelly Professional & Industrial	Kelly Science, Engineering, Technology & Telecom	Kelly Education	Kelly OCG	Kelly International
Revenue	\$1.8B	\$1.2B <sup>(1)</sup>	\$0.4B <sup>(2)</sup>	\$0.4B <sup>(3)</sup>	\$1.1B
GP Rate	16.9%	21.9% <sup>(1)</sup>	15.6% <sup>(2)</sup>	32.7% <sup>(3)</sup>	13.9%
Geography	North America	North America	U.S.	Global	EMEA & Mexico
Specialties	<ul style="list-style-type: none"> <li>- Industrial</li> <li>- Contact Center</li> <li>- Office Clerical</li> </ul>	<ul style="list-style-type: none"> <li>- Engineering</li> <li>- Science &amp; Clinical</li> <li>- Technology</li> <li>- Telecom</li> </ul>	<ul style="list-style-type: none"> <li>- Early Childhood</li> <li>- K-12</li> <li>- Special Ed/Needs</li> <li>- Tutoring</li> <li>- Higher Education</li> <li>- Executive Search</li> </ul>	<ul style="list-style-type: none"> <li>- MSP<sup>(4)</sup></li> <li>- RPO<sup>(4)</sup></li> <li>- PPO<sup>(4)</sup></li> <li>- Consulting</li> </ul>	<ul style="list-style-type: none"> <li>- Life Sciences</li> <li>- IT</li> <li>- Finance</li> <li>- Other Local Professional Niches</li> </ul>

Kelly size and margin profiles are based on 2021 full year results; <sup>(1)</sup>Kelly SET revenue and GP rate was \$1.2B and 22.3%, respectively, including the results of Softworld on a proforma basis; <sup>(2)</sup>Kelly Education revenue and GP rate was \$0.5B and 16.8%, respectively, including the results of PTS on a proforma basis; <sup>(3)</sup>Kelly OCG revenue and GP rate was \$0.5B and 33.4%, respectively, including the results of RocketPower on a proforma basis; <sup>(4)</sup>Managed Service Provider ("MSP"); Recruitment Process Outsourcing ("RPO"); Professional Payroll Outsourcing ("PPO").

### Our M&A activities are shifting our portfolio.





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Q3 2022 Earnings

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